IAASB Strategy Update

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IAAER World Congress 2018
Sydney, Australia
## Current Work Plan – Context for Future Work

<table>
<thead>
<tr>
<th>Project / Initiative</th>
<th>Status</th>
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<tbody>
<tr>
<td>ISA 540 (Revised)</td>
<td>Final standard published October 2018</td>
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<tr>
<td>ISA 315 (Revised)</td>
<td>Final standard expected to be approved June 2019</td>
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<tr>
<td>ISQC 1</td>
<td>Approval of Exposure Draft expected Dec 2018</td>
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<tr>
<td>ISQC 2</td>
<td>Approval of Exposure Draft expected Dec 2018</td>
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<tr>
<td>ISA 220</td>
<td>Approval of Exposure Draft expected Dec 2018</td>
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<tr>
<td>Agreed-Upon Procedures</td>
<td>Final standard expected second half 2019</td>
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<tr>
<td>Emerging Forms of External Reporting</td>
<td>Proposed draft Guidance finalized early 2019</td>
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<td>Group audits</td>
<td>Recommences 2019 – priority project (ED Dec 2019)</td>
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<td>Audits of less complex entities</td>
<td>Discussion paper expected March 2019</td>
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<tr>
<td>Audit Evidence (incl. professional skepticism, data analytics)</td>
<td>Scoping of project expected to commence 2019</td>
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• Global issues, trends or developments
  – Advances in *technology*
  – Changing reporting *needs of stakeholders* (integrated reporting, sustainability reporting)
  – Changing environment for *small and medium sized practices* (importance of scalable standards)
  – *Future of the profession*, including the perceived value of the audit and the competencies and training of audit personnel

• Key challenges
  – *MG consultation* and changes therefrom
  – *Timeliness* of standard-setting
  – Demands from *different stakeholder groups*
Strategy Survey – What We Heard

• **Key opportunities**
  – Change how the Board operates (more strategic)
  – Improvements or changes to the standard-setting process (balance timely guidance vs. due process)
  – Increased use of technology to be more efficient
  – Collaboration with other standard-setting boards (in particular IESBA) and others (NSS)

• **How the IAASB should focus its activities in 2020–2023**
  – Important to *complete current projects underway*
  – *Development of standards* still important, but also need *implementation efforts* on recently completed revised standards / standards currently being revised
  – More needs to be done to support specific activities (e.g., standard-setting versus development of guidance, including non-authoritative guidance or other Staff documents)
  – Focus on *scalability* of standards
Targeted Outreach – What We Heard (To Date)

• Targeted outreach with stakeholders from which we don’t traditionally hear from (investor groups, company director groups, those charged with governance, preparers, smaller firms)

• Ongoing outreach

• Key themes:
  – IAASB focus on ‘core activities’
    • More needs to be done to ensure effective implementation of standards
    • Post-implementation reviews important
  – Needs of stakeholders is key (in changing environment) → continuing outreach important
    • Specific areas of focus: technology, assurance on non-financial information / emerging forms of external reporting, skepticism, fraud
  – Speed of standard-setting to address issues and challenges, particularly in context of evolving environment
  – Consideration about how the changing environment (e.g., changing business models or skills needed for undertaking the work) affects the standards
Moving Forward on Strategic Direction

• Further consideration will be given to formalizing the Board’s policies and procedures in structured activity streams
  – Research phase
  – Developing and revising standards
  – Developing non-authoritative practical guidance
  – Maintenance of standards
  – Implementation activities
  – Ongoing interactions between activity streams

*Outreach to support all phases*
Future Strategy – Supporting Future Proposed Strategic Direction

• Board operations:
  – More strategic discussion at Board meetings
    o Detailed drafting done by Staff and comments dealt with offline
  – For some activities, using another mechanism other than discussion and deliberation at a physical Board meeting (e.g., use of more Board teleconferences)
  – Enhancing the Board’s communication processes about the progress of its activities
  – Consideration given to whether measures or other indicators of success need to (or can effectively be) developed
  – Further consideration how others (e.g., NSS) can be leveraged